

**UNIVERSITY OF GEORGIA
ATHENS, GEORGIA**

Letter of Agreement

This agreement is made and entered into as of the date of execution by and between the City of Stockbridge, Georgia and the Board of Regents of the University System of Georgia by and on behalf of the University of Georgia. The University of Georgia's Carl Vinson Institute of Government (Institute of Government) will perform all obligations of the Board of Regents of the University System of Georgia under this agreement.

The Institute of Government agrees to assist the City of Stockbridge by performing the services outlined in Exhibit A.

The City of Stockbridge will pay the Institute of Government a **FIXED FEE** of \$15,000 with this amount being due on October 1, 2015. All invoices should be sent to Mr. Dale Hall, Administration and Community Services Director, City of Stockbridge, 4640 North Henry Boulevard, Stockbridge, GA 30281; telephone 770-389-7900, DHall@cityofstockbridge-ga.gov.

The Institute of Government employees will not be employees of the City of Stockbridge while performing this service and will not be entitled to fringe benefits normally accruing for employees of the City of Stockbridge.

This agreement will become effective upon execution by both parties and will terminate October 1, 2015, or earlier upon a fifteen (15) day written notice by either party. In the event of such termination the City of Stockbridge will pay the Institute of Government a prorated portion of the contract amount consistent with the revised termination date and will also pay the Institute

of Government for all non-cancellable and outstanding obligations related to this agreement. The Institute of Government will continue to work on the project until the revised termination date and will provide to the City of Stockbridge interim findings and summary notes that reflect the status of the project at the time of revised termination.

FOR THE BOARD OF REGENTS
OF THE UNIVERSITY SYSTEM
OF GEORGIA BY AND ON BEHALF OF
THE UNIVERSITY OF GEORGIA:

By: *Jennifer Jones*
Jennifer Jones
Grants Officer

Date: 5/13/15

FOR THE CITY OF STOCKBRIDGE:

By: *Michael C. [Signature]*

Date: 5/19/2015

Exhibit A

Carl Vinson Institute of Government faculty will utilize several research methods to assess the financial impact of a proposed annexation. The following summarizes the tasks to be undertaken:

1. Work with City of Stockbridge officials to determine annexation areas for study. The Institute of Government will do individual analyses for up to 5 distinct annexation areas based on the city's current annexation plan.
2. Collect all data needed to perform the analysis such as existing revenue sources and applicable tax rates and fees in the City of Stockbridge, tax digest information, population, etc. within the area under consideration for annexation, and any legal documentation necessary for the analysis.
3. Interview department directors from the City of Stockbridge for information about how the annexation would likely affect their department's service costs in order to make appropriate cost estimates.
4. Interview city officials for information on the city's revenues in order to make appropriate estimates.
5. Analyze data, calculate the estimated total revenues, total cost, and net financial impact of the annexation, and write report. Three methodologies will be used for the analysis. Methods 1 and 2 assume that current service levels and spending in the City of Stockbridge will be proportional in the annexation area(s).
 - a. **Method 1: Combined Per Capita and Cost Per Assessed Value Method.** Because residents and businesses have different service costs, each are calculated separately for the annexation area(s) and then added together. Residential costs are captured through a cost per capita measure while business costs are determined through a cost per assessed value of business property.
 - b. **Method 2: Department-Specific Unit Measures.** With this method, costs per service unit are calculated in order to capture service demands. This methodology appears to be used in City of Decatur's annexation study.
 - c. **Method 3: Case Study.** Department directors are interviewed to determine the likely changes in expenditures that would result in servicing each annexation area(s). This method can take into account any excess capacity that may exist within a department as well as the need for capital investments.

The scope of work proposed will derive information from data sources provided by the City of Stockbridge, the Henry County Tax Commissioner, and other government agencies as needed. The Institute of Government and City of Stockbridge will cooperate in guiding project evolution and direction.

DELIVERABLES:

Data collected will be analyzed and a written report will be produced. An Institute of Government faculty member will present the report to the city council or city manager upon request.